



STATE OF RHODE ISLAND
**ENERGY EFFICIENCY &
RESOURCE MANAGEMENT COUNCIL**

EXECUTIVE COMMITTEE MINUTES

Thursday, June 30, 2016 | 11:30 AM - 1:00 PM

Accounts and Controls Conf. Rm. 4th Floor, Dept. of Administration, One Capitol Hill, Providence, RI

In Attendance: Abigail Anthony, Sandra Charves, Marisa Desautel, Mike Guerard, Carol Grant, Rachel Henschel, Danny Musher, Scudder Parker, Chris Powell, Rachel Sholly, Betsy Stubblefield Loucks, Becca Trietch, Nick Ucci

1. Call to Order

Chairman Chris Powell called the meeting to order at 11:30 AM.

2. Approval of Meeting Minutes

Betsy Stubblefield Loucks made a motion to approve the minutes from the May 26, 2016 meeting. Abigail Anthony seconded and all approved. Ms. Stubblefield Loucks made a motion to add agenda item 8, Energy Wise RFP Update from National Grid, and make adjournment item 9. Ms. Anthony seconded and all approved.

3. Executive Director Report

Commissioner Carol Grant reported that in her first two weeks on the job she has learned much about the Council's work and that former Commissioner Marion Gold has provided valuable assistance for the transition.

4. Policy and Planning Issues

a) Savings Targets Development and Standards Revision Update

Mike Guerard reported that the submittal of the savings targets will be moved to the end of the year to align with the development of the standards and submitting them at the same time. Targets work will continue at the pace of the original timeline, but moving the submittal will buy time at the backend to take into account that modification to the standards may mean changes to targets. Lighting is a key driver of the targets. Residential numbers are expected to go down, and National Grid has commissioned a study on commercial and industrial (C&I) lighting which should be finished by the end of July, and hopefully the C&I numbers will hold steady. The lighting numbers will be the core of target projections.

Scudder Parker reported that the standards revision process as a result of the EERMC decision will start earlier than usual. The Systems Integration (SIRI) working group is taking the lead on the revisions of systems reliability standards and will come out with a version that will be up for discussion. Revision of standards for efficiency have traditionally been seen as baseline, and have been discussed with the Targets and Standards group. The group is looking at the idea of a different or supplemental approach to cost effectiveness criteria. There may be opportunities for savings and benefits from efficiency that are not currently included in the total resource test. It may be helpful to consider these when accounting for cost effectiveness.

Mr. Powell stated he and Mr. Parker have exchanged rough drafts of the standards letter to be submitted to Public Utilities Commission (PUC) with Council attorney Marisa Desautel and it is close to finalizing. It was determined that there is no need for the letter to be added to the agenda for the council, as the letter will site the legislation that instructs the council to submit standards. Nick Ucci recommended a call to PUC council for an informal notice of the process before the formal letter is sent to their council. It was decided that a conference call to the PUC council to review the final draft of the letter as a courtesy would be appropriate.

b) Finance Update

Mr. Guerard reported that financial consultant Dunsky is halfway through the budget. They are focused on monitoring and providing input on Rhode Island Infrastructure Bank (RIIB) products and provided input on National Grid finance evaluation, measurement and verification (EM&V) requests for proposals (RFPs), for both EnergyWise Heat Loan and Revolving Loan Fund. These evaluations are underway and will be completed to inform discussion on the 2017 Energy Efficiency Program Plan (Plan). A big part of focus for the balance of the contract will turn to considerations on financing that will go into the 2017 Plan. The Efficient Buildings Fun (EBF) program is off and running. Commercial PACE is also moving forward, while Residential PACE is more complicated due to national considerations. Alex Hill from Dunsky is preparing a two page report and will be in Providence in late July. Mr. Guerard thinks it will be beneficial to RIIB to touch base with Dunsky before the 7/28 Executive Committee meeting.

c) Demand Response Update

Mr. Parker has followed up with Doug Hurley of Synapse. There is about \$7,000 left on his contract. It might be good to invite him to do a longer term vision about where demand response or active load management could evolve, such as the ability of the utility to regulate end use.

5. 2016 EERMC Budget Report and Considerations

a) OER Report on 2016 Budget Balance

The Council's projected end of year balance is \$269,880 in unallocated funds. The Office of Energy Resources (OER) has a proposal to allocate some EERMC funds to code work. This is the first briefing to the Executive Committee.

b) Stretch Code Development Funding Request

Becca Trietch presented on the stretch code development for the state, as part of the Governor's Executive Order to "Lead by Example". National Grid will contribute \$15,000 toward the development of the stretch code through their consultant ERS, who is already contracted with Grid to work on codes. Ms. Trietch explained that the OER was requesting \$50,260 from the EERMC to cover the rest of the stretch code development costs. Mr. Powell said that the Council would need to be able to back up the economic benefits of stretch codes. Ms. Anthony said that all fund allocations must be in compliance with the Council's purpose and statute. Ms. Grant felt that before a Council vote, OER needs to clearly explain how adoption of the stretch code will advance the Council's goals. The Committee agreed to add this to the next EERMC agenda for a vote.

c) Other Potential Budget Allocations in 2016

Mr. Guerard reported that with the delay of targets and acceleration of standards, the consultant team indicated that there may be a need for additional work on the Council's part and/or additional expertise. Once it is determined what the standards activity would entail, it can be determined if additional funds are needed. Betsy Stubblefield Loucks suggested having an estimate of budget allocation to know what is available to discuss at the next meeting. Ms. Anthony suggested a review of scope of work at six

months into the contract to see if modifications are needed, and that new Council member training and engagement should be a priority.

6. Content for EM&V and ISO NE Presentations

Mr. Guerard presented a preview of the presentation draft of what the evaluation is for, how it is conducted, and how it feeds into the technical manual and cost effectiveness, and also an explanation of how this evaluation helps new council members, and shows that savings are legitimate. A planning call with ISO NE to guide their presentation to the Council meeting is scheduled after today's meeting. Changes to the agenda were suggested to allow the ISO NE presentation as much time as possible, especially for the benefit of new members.

7. Council Business

a) Council Member Education Retreat

It was suggested to wait until after Labor Day and aim for 9/8/16, the same day as the Council meeting. Discussed were the possibilities of a half-day day retreat, a tour of Taco, and guest speakers. The committee will start outline of agenda based on what council members would like to hear. It was suggested that all members do not need to participate in the same activity at the same time, and the possibility of a "starter" for new members. Ms. Stubblefield Loucks suggested having a "hold the date" at the full meeting, to check with members for availability, topic ideas, and putting this on the agenda for the full Council meeting.

b) Finalize EERMC July Meeting Agenda

The Committee agreed to eliminate item 5, 6A & C from the agenda and fill in time with presentations.

8. EnergyWise RFP Update from National Grid

Rachel Henschel provided an update on the EnergyWise program currently deployed by RISE, and National Grid's ideas on how to procure the next three-year contract. The procurement team looked at the market, competition, what has been previously bid on, and looked at ways to lower costs. The team determined that they would like to select RISE but do a more directed and strategic type of procurement with them. Ms. Henschel had three points to make in favor of this: 1) The original procurement had only three bidders and RISE was the only RI vendor; 2) By going out to bid National Grid can affect 26% of vendor costs but believe they can affect 100% of costs with RISE, through negotiation of materials and prices to bring down costs through bulk procurement; 3) No lighting savings are expected in the 2018-2020 targets timeframe. EnergyWise depends on lighting savings to implement other savings; lighting is an inexpensive measure that allows customers to afford more expensive measures. As a whole package this is cost-effective but National Grid foresees cost challenges with no lighting savings in the future. Ms. Henschel thinks the sole source path is more cost-efficient, as it will include joint risk with National Grid and RISE.

Ms. Anthony thinks this should be discussed and explained to the full Council. Mr. Guerard stated that the consultant team is still in discussions about strategies. There are concerns about sole sourcing a program that has never been sole sourced, but it is worth viewing as an alternative to the traditional RFP method. Ms. Anthony stated that the Council may not have control but can provide input, and that there should be public and transparent discussion as the Council may get questioned as to why RISE is the only auditor. Ms. Henschel expressed interest in talking about finance in August.

9. Adjournment

Ms. Stubblefield Loucks made a motion to adjourn. Ms. Anthony seconded and the meeting adjourned at 1:08 pm.